



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Mid-year budget review and resolution to revise 2005-06 budget appropriations

MEETING DATE: March 15, 2006

PREPARED BY: James R. Krueger, Deputy City Manager

RECOMMENDED ACTION: That City Council approve the mid-year budget adjustments and a resolution revising the 2005-06 budget appropriations.

BACKGROUND INFORMATION: The City Council adopted the Budget for Fiscal Year 2005-06 in June, 2005. Assumptions made related to the revenues to be received and expenditures to be incurred have not resulted in any material differences between the projected fund balances for any of the City funds in comparison to the amounts as approved in the adopted City Budget. However, there are several funds for which adjustments to both the revenue estimates and budgeted expenditures should be made in order to more appropriately reflect the projected operating results for Fiscal Year 2005-06. Following are the recommended adjustments and a brief explanation of the reasons for each of the adjustments:

- 1) General Fund- Total budgeted expenditures will be decreased by \$500,000 from the amount stated in the adopted budget to reflect the reduction in the transfer amount from the Electric Utility Fund for services provided. This budget adjustment will not affect the ending fund balance because there are sufficient cost savings to offset the reduced revenues. The expected ending fund balance will be \$1,558,663 (a slight decrease from the amount in the adopted budget of \$1,565,000). Following are recommended adjustments:

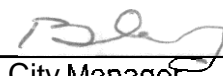
Revenues

Decrease Tax Revenues (Electric In-lieu Franchise)	(500,000)
Increase Tax Revenues (Sales Taxes)	500,000

Appropriations

Increase Fire Department (Personnel Services)	261,000
Increase Non-Departmental	101,000
Decrease Transfers to other Funds	(361,000)

- 2) Electric Utility Fund- Budgeted expenditures should be increased by a net amount of \$543,000 from the amount stated in the adopted budget. This is a netting of three different items, which include an estimated bulk power purchase cost increase of \$2,867,000, a reduction of the transfer

APPROVED: 
Blair King, City Manager

to the General Fund of \$500,000 and a reduction in other operating costs of \$1,824,000. The increased revenues from the rate increase approved by City Council in November 2005 will provide approximately \$5,000,000 in additional revenues and the net result is that the Fund Balance is expected to be \$3,340,000 (the ending fund balance in the adopted budget is a deficit of \$2,198,000). Following are recommended adjustments:

Revenues

Increase Sales to customers	\$5,000,000
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Appropriations

Increase Bulk Power Expense	2,953,000
Decrease Other Operating Expenses	(1,995,900)
In-lieu of Transfer (decrease expenses)	(500,000)
Net Increase in Ending Balance	\$5,457,100

- 3) **Water Fund-** Budgeted expenditures should be increased by \$52,800 from the amount stated in the budget to pay for the cost of services transfer from the General Fund Departments (mostly Public Works) that had been originally scheduled to be paid from the Street Fund. This adjustment is a reallocation of the cost of services transfer from the Street Fund to the Water, Wastewater and Capital Outlay funds. This will result in a reduction of the estimated ending fund balance for this fund.

Appropriations

Increase Transfer to other Funds	\$ 52,800
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Net Decrease in Ending Balance	\$ 52,800
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- 4) **Wastewater Fund-** Budgeted expenditures should be increased by \$30,800 to pay for the cost of services transfer from the General Fund Departments (mostly Public Works) that had been originally scheduled to be paid from the Street Fund. This adjustment is a reallocation of the cost of services transfer from the Street Fund to the Water, Wastewater and Capital Outlay funds. This will result in a reduction of the estimated ending fund balance for this fund.

Appropriations

Increase Transfer to other Funds	\$ 30,800
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Net Decrease in Ending Balance	\$ 30,800
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- 5) **Capital Outlay Fund-** Budgeted expenditures should be increased by \$139,100 to pay for the cost of services transfer from the General Fund Departments (mostly Public Works) that had been originally scheduled to be paid from the Street Fund. This adjustment is a reallocation of the cost of services transfer from the Street Fund to the Water, Wastewater and Capital Outlay funds. This will result in a reduction of the estimated ending fund balance for this fund.

Appropriations

Increase Transfer to other Funds	\$ 139,100
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Net Decrease in Ending Balance	\$ 139,100
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- 6) Street Fund- Budgeted expenditures should be decreased by \$222,700 **to** reflect the relocation of the cost of services transfers to the Water, Wastewater and Capital Outlay funds. This will result in an increase in the estimated ending fund balance for this fund.

<u>Appropriations</u>	
Decrease Transfer to other Funds	\$ 222,700
Net Increase in Ending Balance	\$ 222,700

Quarterly Financial Report for December **31,2005.**

The following highlights are excerpts and comments from the Quarterly Financial Report attached as Exhibit A

Fund Balances

Ending Fund Balances June 30,2006

	<u>Budget FYE 2006</u>	<u>Projected 6/30/06</u>	<u>Variance</u>
General Fund	1,565,087	1,558,663	(6,424)
Library Fund	618,543	548,749	(69,794)
Street Fund	6,254,710	7,622,700	1,367,990
Transportation Development Act Fund	75,299	109,310	34,011
Community Development Block Grant Fund	0	0	0
Police Special Revenue Fund	276,876	346,646	69,770
Capital Outlay Fund	4,999,373	6,631,469	1,632,096
Vehicle/Equipment Replacement Fund	98,500	209,816	111,316
Debt Service Fund			0
Water Fund	2,285,754	3,120,041	834,287
Wastewater Fund	1,048,718	1,070,366	21,648
Electric Fund	(2,187,758)	3,269,270	5,457,028
Transit Fund	6,468	236,523	230,055
Community Development Fund	0	365,728	365,728
Benefits Fund	248,695	240,897	(7,798)
Self Insurance Fund	2,263,767	3,548,632	1,284,865
Trust/Agency Fund	1,231,086	1,236,501	5,415
Total All Funds	18,785,118	30,115,311	11,330,193

Revenues and Expenditures

General Fund:

- Tax Revenues- Sales Tax revenues are projected to be approximately \$640,000 more than budgeted, Property taxes will be \$400,000 less than budgeted and other taxes will be \$143,000 more than budgeted. Property taxes and Sales taxes were estimated using prior year actual

results, which have proven to be unrepresentative of current year projected results. The transfer of in-lieu taxes has been reduced to reflect the need to balance the Electric Utility budget.

- Service Chases- Fees charged for engineering are projected to be \$372,000 less than estimated due to less than expected engineering design work on development projects.
- Fire Department Overtime- The Fire Department has expended a greater percentage of its overtime budget than anticipated. As of the end of January, Fire Operations had spent 99% of its overtime budget. The Fire Department points out that according to the labor agreement with the Fire Association, up to two firefighters may take vacation per shift. 16 firefighters are the minimum needed per shift. The city is authorized for 17 per shift. If two firefighters take vacation, the shift is short one firefighter, consequently, the need for overtime. It is recommended that the budget be adjusted to reflect the overtime budget variance. Management will review with the Fire Department administration methods to reduce planned overtime.
- Non-Departmental- The projected needs for Transfers to the Community Development Fund and to the Self Insurance funds are less than what was budgeted. Better than expected revenues received in the Community Development Fund and less than expected expenditures for General Liability and Workers Compensation are reflected in a net reduction of transfers to other funds of \$361,000. Projected increases in utility costs are reflected in the proposed budget adjustment of \$101,000.
- Expenditures in all other departments- All other departments are projected to have savings in personnel services costs due to lower than expected health insurance and work force attrition. Departments with greater than expected attrition may need to fill some of these positions. Hardest hit are the Public Works fleet services, Finance Customer Service and the Police Department.

Electric Fund:

- Rate Increase- The adjustment of electric rates to reflect the increase in bulk power purchase costs is expected to allow for additional revenues of \$5,000,000 in the current year and approximately \$10,000,000 in subsequent years.
- Operating expenses- Due to position vacancies in several divisions and savings in services and materials it is expected that there will be approximately \$2,000,000 projected savings in operating expenses. Bulk power costs are projected to exceed the amount budgeted by \$2,930,000.

Street Fund:

- Fund Balance- The beginning fund balance is more than budgeted as a result of timing differences in capital expenditures in relation to the funding of these projects. Consequently the ending balance is \$1,367,990 more than expected in comparison to the budgeted amount.

Capital Outlay Fund:

- Fund Balance- The beginning fund balance is \$1,885,971 more than budgeted as a result of timing differences in capital expenditures in relation to the funding of these projects. Consequently the ending balance is projected to be \$1,632,096 more than expected in comparison to the budgeted amount.

Water Fund:

- Fund Balance- The ending balance is projected to be \$834,287 more than budgeted primarily as a result of a better than expected balance at the beginning of the fiscal year.

Community Development Fund:

- Revenues- Projected revenues for permit fees and planning fees show better than expected building activity in fiscal year 2005-06. As a result of this and some budget savings in personnel services the transfer to this fund from the General Fund will be reduced and the ending fund balance is expected to be \$365,728.

Self Insurance:

- Revenues- The revenues in this fund come from transfers made from all operating funds. The amounts transferred from operating funds has been adjusted to reflect that the projected claims experience has been better than expected in comparison with the budget expectations.
- Expenditures- Claims experience for workers compensation and general liability have been much better than expected and is projected to result in expenditures savings of more than \$1,080,000.
- Fund Balance- As a result of the better than expected claims experience the fund balance is projected to be approximately \$1,285,000 more than the amount budgeted.

Position Control

The City Manager provided the Council with a listing of 29 positions to be cut or held vacant during the course of the fiscal year. At the time the budget was adopted the Council was informed if this list should change the Council would be consulted. One of the positions listed to remain vacant is a police lieutenant position. The Police Department is requesting this position be filled. The Police Department has achieved a \$346,000 salary savings beyond the budgeted salary savings. It is the Manager's intention to fill the position. Also, the Manager anticipates filling a vehicle mechanic position in order to address a work back log.

Continued Monitoring

Staff will continue to monitor revenues and expenditures through the end of the fiscal year and update the projected fund balances. The projected fund balances will be used as the budgeted beginning fund balances for fiscal year 2006-07. The projected expenditures for fiscal year 2005-06 will be used as the baseline amount to establish the budgeted expenditures for all departments.

FISCAL IMPACT: The fiscal effects of the adjustments are incorporated within the explanations above.

FUNDING:

None required.


James R. Krueger, Deputy City Manager

Exhibit A	Quarterly Financial Report					
			12/31/05			
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
General	Revenues					
	Tax Revenues	6,544,872	27,298,694	6,809,394	24.9%	27,201,248
	Licenses and Permits	696,779	1,043,666	135,065	12.9%	1,056,733
	Fines and Forfeitures	152,169	340,237	136,164	40.0%	550,175
	Investment/Property Revenues	113,268	409,264	109,254	26.7%	389,421
	Revenue from Others	346,487	4,195,438	266,774	6.4%	4,007,734
	Services Charges	1,791,334	3,111,595	1,094,352	35.2%	2,739,011
	Other Revenue	90,751	283,630	102,837	36.3%	216,580
	Operating Transfers In	3,928,594	7,141,848	3,426,534	48.0%	7,141,800
	Total Revenues	13,664,254	43,824,372	12,080,374	27.6%	43,302,702
	Expenditures					
	Public Safety	9,762,080	21,037,703	10,204,545	48.5%	20,843,716
	Transportation	1,274,651	2,641,917	1,154,574	43.7%	2,594,622
	Leisure, Cultural & Social Services	2,461,891	4,968,227	2,227,274	44.8%	4,921,775
	Community & Economic Development	1,640,643	1,808,780	800,399	44.3%	1,776,400
	General Government	4,744,841	9,711,708	4,345,376	44.7%	9,558,415
	Operating Transfers Out	22,928	3,656,037	325,000	8.9%	3,556,037
	Total Expenditures	19,907,034	43,824,372	19,057,168	43.5%	43,250,965
	Fund Balance, Beginning of Year		1,565,087			1,506,926
	General Ending Fund Balance		1,565,087			1,558,663
Library	Revenues					
	Tax Revenues	(3,016)				
	Investment/Property Revenues	2,494	400	3,182	795.5%	2,400
	Revenue from Others	57,075	63,000	21,174	33.6%	63,000
	Services Charges	4,576				
	Other Revenue	23,796	62,500	28,326	45.3%	62,500
	Operating Transfers In		1,329,665		0.0%	1,329,665
	Total Revenues	84,925	1,455,565	52,682	3.6%	1,457,565

Exhibit A	Quarterly Financial Report					
		12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
	Expenditures					
	Leisure, Cultural & Social Services	659,987	1,520,216	665,020	43.7%	1,531,594
	Capital Projects	5,474	9,384	2,586	27.6%	9,384
	Operating Transfers Out	24,458	64,996	32,498	50.0%	64,996
	Total Expenditures	689,919	1,594,596	700,104	43.9%	1,605,974
	Fund Balance, Beginning of Year		757,574			697,158
	Library Ending Fund Balance		618,543			548,749
Street	Revenues					
	Tax Revenues	223,749	1,000,000	502,030	50.2%	1,000,000
	Investment/Property Revenues	23,217	10,000	31,653	316.5%	10,000
	Revenue from Others	2,981,014	6,132,000	4,142,711	67.6%	6,132,000
	Services Charges	2,840,848	945,000	267,748	28.3%	945,000
	Other Revenue	11,073		95,862		100,000
	Operating Transfers In	40,092		5,908		6,000
	Total Revenues	6,119,993	8,087,000	5,045,912	62.4%	8,193,000
	Expenditures					
	Capital Projects	4,226,931	3,714,492	5,142,983	138.5%	3,714,492
	Operating Transfers Out	774,291	1,830,544	921,180	50.3%	1,830,544
	Total Expenditures	5,001,222	5,545,036	6,064,163	109.4%	5,545,036
	Fund Balance, Beginning of Year		3,712,746	4,974,736		4,974,736
	Street Ending Fund Balance		6,254,710			7,622,700

Exhibit A	Quarterly Financial Report					
			12/31/05			
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Transportation	Revenues					
	Investment/Property Revenues	291	500	658	131.6%	1,000
	Revenue from Others	41,027	39,400			39,400
	Operating Transfers In	52,733				0
	Total Revenues	41,318	39,900	658	1.6%	40,400
	Expenditures					
	Capital Projects	13,394		18,159		40,000
	Operating Transfers Out	32,733				0
	Total Expenditures	46,127	0	18,159		40,000
	Fund Balance, Beginning of Year		35,399			108,910
	Transportation Ending Fund Balance		75,299			109,310
CDBG	Revenue from Others	1,384	1,964,680	160,412	8.2%	1,964,680
	Capital Projects	7,452	1,964,680	170,482	8.7%	1,964,680
	Fund Balance, Beginning of Year		0			0
	CDBG Ending Fund Balance		0			0

Exhibit A	Quarterly Financial Report					
			12/31/05			
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Police Sp	Revenues					
	Fines and Forfeitures			1,900		2,000
	Investment/Property Revenues	1,282		1,893		2,000
	Revenue from Others	142,130		109,871		142,130
	Operating Transfers In	3,757				0
	Total Revenues	143,412	0	113,664		146,130
	Expenditures					
	Public Safety	47,789		29,166		50,000
	Capital Projects	32,357		20,762		33,000
	Operating Transfers Out	3,757				0
	Total Expenditures	83,903	0	49,928		83,000
	Fund Balance, Beginning of Year		276,876			283,516
	Police Special Revenue Ending Fund Balance		276,876			346,646
						69,770
Capital O	Revenues					
	Tax Revenues	(4,523)				0
	Investment/Property Revenues	42,849	26,228	47,508	181.1%	50,000
	Revenue from Others					0
	Services Charges	3,369,741	1,417,340	194,129	13.7%	500,000
	Other Revenue	13,981		10,000		10,000
	Operating Transfers In	151,550				0
	Total Revenues	3,573,598	1,443,568	251,637	17.4%	1,190,162
	Expenditures					
	Capital Projects	620,851	1,057,531	142,381	13.5%	1,058,000
	Operating Transfers Out	2,614,727	125,305	1,381,004	1102.1%	125,305
	Total Expenditures	3,235,578	1,182,836	1,523,385	128.8%	1,183,305
	Fund Balance, Beginning of Year		4,738,641			6,624,612
	Capital Outlay Ending Fund Balance		4,999,373			6,631,469
						1,885,971
						1,632,096

Exhibit A	Quarterly Financial Report					
		12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Eq/Veh R	Revenues					
	Other Revenue	6,672	6,000	13,854	230.9%	15,000
	Operating Transfers In	193,807	187,500	75,000	40.0%	187,500
	Total Revenues	200,479	193,500	88,854	45.9%	202,500
	Capital Projects	88,449	145,000	24,769	17.1%	145,000
	Operating Transfers Out	10,454				
	Total Expenditures	98,903	145,000	24,769	17.1%	145,000
	Fund Balance, Beginning of Year		50,000			152,316
	Equipment/Vehicle Replacement Ending Fund Balance		98,500			209,816
Debt Serv	Debt Service	1,093,521	1,772,478	1,106,021	62.4%	1,772,415
	Operating Transfers In	1,089,586	1,772,478	1,150,139	64.9%	1,772,415
	Debt Service Ending Fund Balance					0

Exhibit A	Quarterly Financial Report					
		12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Water	Revenues					
	Investment/Property Revenues	13,128	10,220	64,586	632.0%	75,000
	Services Charges	4,572,340	8,468,299	4,191,712	49.5%	8,818,299
	Other Revenue	9,018,168	409,500	5,746,150	1403.2%	5,946,150
	Operating Transfers In	1,009,341		3,386,775		5,000,000
	Total Revenues	14,612,977	8,888,019	13,389,223	150.6%	19,839,449
	Expenditures					
	Public Utilities	2,249,515	4,817,242	2,363,131	49.1%	4,817,242
	Capital Projects	1,952,809	2,113,590	1,709,772	80.9%	2,113,590
	Debt Service	20,276	227,978	19,564	8.6%	227,978
	Operating Transfers Out	1,350,234	909,259	3,836,405	421.9%	13,860,689
	Total Expenditures	5,572,834	8,068,069	4,092,467	50.7%	21,019,499
	Fund Balance, Beginning of Year		1,465,804			4,300,091
	Water Ending Fund Balance		2,285,754			3,120,041

Exhibit A	Quarterly Financial Report					
			12/31/05			
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Wastewater	Revenues					
	Investment/Property Revenues	131,791	169,675	250,337	147.5%	250,000
	Revenue from Others	203				
	Services Charges	3,989,988	8,833,975	4,531,337	51.3%	8,833,975
	Other Revenue	120,459	6,238,500	91,970	1.5%	6,238,500
	Operating Transfers In	1,110,297		1,122,459		1,633,355
	Total Revenues	5,352,738	15,242,150	5,996,103	39.3%	16,955,830
	Expenditures					
	Public Utilities	2,099,217	4,987,607	2,106,012	42.2%	4,987,607
	Capital Projects	8,675,965	7,701,313	1,063,915	13.8%	7,701,313
	Debt Service	546,823	3,337,058	422,133	12.6%	3,337,058
	Operating Transfers Out	1,441,496	1,031,793	1,633,355	158.3%	2,133,355
	Total Expenditures	12,763,501	17,057,771	5,225,415	30.6%	18,159,333
	Fund Balance, Beginning of Year		2,864,339			2,273,869
	Wastewater Ending Fund Balance		1,048,718			1,070,366

Exhibit A		Quarterly Financial Report					
			12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected	Variance
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06	From Budget
Electric	Revenues						
	Investment/Property Revenues	25,287	950,000	168,566	17.7%	950,000	0
	Services Charges	30,613,556	55,228,600	31,030,640	56.2%	60,072,000	4,843,400
	Other Revenue	2,071	575,653	26,135		432,000	(143,653)
	Operating Transfers In	33,410		69,500		70,000	70,000
	Total Revenues	30,640,914	56,754,253	31,225,341	55.0%	61,454,000	4,699,747
	Expenditures						
	Public Utilities	7,044,089	17,090,136	7,468,386	43.7%	17,195,754	(105,618)
	Bulk Power Purchase	18,658,369	39,833,099	22,824,547	57.3%	42,700,000	(2,866,901)
	Capital Projects	1,172,516				139,000	(139,000)
	Debt Service	1,283,320	5,219,013	899,192	17.2%	5,619,013	(400,000)
	Operating Transfers Out	1,262,274	2,898,246	1,528,623	52.7%	2,898,246	0
	Total Expenditures	29,420,568	65,040,494	31,192,125	48.0%	65,653,767	(613,273)
	Balance, Beginning of Year		6,098,483			7,469,037	1,370,554
	Electric Ending Fund Balance		(2,187,758)			3,269,270	5,457,028
Transit	Revenues						
	Tax Revenues		75,000			75,000	0
	Investment/Property Revenues	614	9,288	(3,632)	-39.1%	9,288	0
	Revenue from Others	199,135	3,260,000	262,975	8.1%	3,260,000	0
	Services Charges	187,844	481,700	236,742	49.1%	481,700	0
	Other Revenue	164,545	54,372	7,801	14.3%	54,372	0
	Operating Transfers In	13,764					0
	Total Revenues	552,138	3,880,360	503,886	13.0%	3,880,360	0
	Expenditures						
	Transportation	1,157,861	2,747,572	1,476,157	53.7%	2,747,572	0
	Capital Projects	64,800	1,126,320	42,590	3.8%	1,126,320	0
	Operating Transfers Out	110,600	288,780			288,780	0
	Total Expenditures	1,222,661	3,873,892	1,518,747	39.2%	3,873,892	0
	Fund Balance, Beginning of Year		0			230,055	230,055
	Transit Ending Fund Balance		6,468			236,523	230,055

Exhibit A	Quarterly Financial Report					
		12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Cmmunity	Revenues					
	Licenses and Permits		994,680	568,800	57.2%	994,680
	Investment/Property Revenues			2,900		2,900
	Services Charges		970,000	293,756	30.3%	970,000
	Other Revenue			(175)		0
	Operating Transfers In		506,000	253,000	50.0%	253,000
	Total Revenues	0	1,964,680	865,281	44.0%	1,967,580
	Expenditures					
	Community & Economic Development		1,964,680	800,926	40.8%	1,601,852
	Total Expenditures	0	1,964,680	800,926	40.8%	1,601,852
	Community Development Ending Fund Balance		0			365,728
						365,728

Exhibit A	Quarterly Financial Report					
		12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Benefits	Revenues					
	Investment/Property Revenues	(1,558)		(1,184)		0
	Services Charges	2,404,826	6,231,794	2,381,284	38.2%	5,500,000
	Other Revenue	215	10,000	2,202	22.0%	2,202
	Operating Transfers In	116				0
	Total Revenues	2,403,483	6,241,794	2,382,302	38.2%	5,502,202
	Expenditures					
	General Government	2,676,547	5,993,099	2,566,813	42.8%	5,495,740
	Total Expenditures	2,676,547	5,993,099	2,566,813	42.8%	5,495,740
	Balance, Beginning of Year					0
	Benefits Ending Fund Balance		248,695			6,462
Self Insur	Revenues					
	Investment/Property Revenues	5,487	7,000	10,641	152.0%	15,000
	Revenue from Others	115,628	150,000			(150,000)
	Services Charges	1,495,249	2,108,905	1,378,721	65.4%	2,108,905
	Other Revenue	20,208		2,517		3,000
	Operating Transfers In		300,000	150,000	50.0%	0
	Total Revenues	1,636,572	2,265,905	1,391,879	61.4%	2,126,905
						0
	Expenditures					
	General Government	1,213,818	2,922,303	1,194,900	40.9%	1,839,692
	Total Expenditures	4,365,847	2,922,303	1,194,900	40.9%	1,839,692
	Balance, Beginning of Year		2,920,165			3,261,419
	Self Insurance Ending Fund Balance		2,263,767			3,548,632

Exhibit A	Quarterly Financial Report					
		12/31/05				
		Year-to-date	Budget	Year-to-date	As % of	Projected
Fund		Actual 12/31/04	Fiscal Year 2006	Actual 12/31/05	Budget	6/30/06
Trust Agency	Revenues					
	Tax Revenues	1,036	202,832	3,199	1.6%	202,832
	Investment/Property Revenues	2,661		5,440		7,500
	Services Charges	18,847	128,254	48,489	37.8%	128,254
	Other Revenue	1,814				
	Operating Transfers In			111		
	Total Revenues	24,358	331,086	57,128	17.3%	338,586
	Expenditures					
	Debt Service	184,819		157,343		245,000
	Operating Transfers Out			111		
	Total Expenditures	184,819	0	157,454		245,000
	Balance, Beginning of Year		900,000			1,142,915
	Trust Agency Ending Fund Balance		1,231,086			1,236,501

RESOLUTION NO. 2006-44

A RESOLUTION OF THE LODI CITY COUNCIL REVISING THE ADOPTED
2005-06 OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE
FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006

WHEREAS, the City Manager submitted the 2005-06 balanced Operating and Capital Improvement Budget to the City Council on May 11, 2005; and

WHEREAS, the 2005-06 Operating and Capital Improvement Budget was prepared in accordance with the City Council's goals, budget assumptions, and policies; and

WHEREAS, the City Council conducted public budget meetings on May 4, May 11, May 18, and May 24, 2005 at the Carnegie Forum; and

WHEREAS, the City Council approved the 2005-06 Operating and Capital Improvement Budget as passed and adopted in Resolution 2005-120 at a regular meeting of the City Council of the City of Lodi on June 15, 2005; and

WHEREAS, revisions in the 2005-06 Operating and Capital Improvement Budget as approved by the City of Lodi City Council on June 15, 2005 are necessary as a result of changes in revenue estimates and projected changes in operating expenditures; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

That the 2005-06 Operating and Capital Improvement Budget, as approved by the City of Lodi City Council proposed by the City Manager and amended by the City Council (with the exclusion of the Lodi Conference and Visitors Bureau element, voted on separately and reflected in Resolution 2005-121), be revised as follows:

	City Council Approved	Adjustments	City Council Revised
General Fund			
Fire	8,098,576	261,000	8,359,576
Non-Departmental	5,333,002	(261,000)	5,072,002
Electric Utility Fund	65,040,494	457,100	65,497,594
Water Utility Fund	8,053,069	52,800	8,105,869
Wastewater Utility Fund	17,057,771	30,800	17,088,571
Streets Fund	5,545,036		
Capital Outlay Fund	1,182,836	139,100	1,321,936

Dated: March 15, 2006

I hereby certify that Resolution No. 2006-44 was passed and adopted by ~~the~~ City Council of the City of Lodi in a regular meeting held March 15, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, and Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Mayor Hitchcock

ABSTAIN: COUNCIL MEMBERS – None

A handwritten signature in black ink, appearing to read "Susan J. Blackston", written in a cursive style.

SUSAN J. BLACKSTON
City Clerk